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ASX & MEDIA RELEASE

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**AEVUM SETTLES WESTERN AUSTRALIAN ACQUISITION AND UPDATE ON DEVELOPMENT
ACTIVITIES**

Retirement living company, Aevum Limited (ASX Code: AVE) today finalised acquisition of the River Parks and River Pines villages ("River Villages") in Perth from the Multiple Sclerosis Society ("MS Society") for \$5.75 million.

The River Villages are located in the suburb of Wilson, approximately 9kms from Perth CBD and are adjacent to the Canning River and open parkland. They are mature facilities consisting of 67 Independent Living Units. Developed in several stages over the past 14 years, the villages offer a mixture of two-bedroom villas and units at various price points as well as communal facilities and under cover car parking.

The acquisition, Aevum's fourth since the beginning of May 2007, was funded through existing cash reserves and a committed debt facility and is immediately earnings accretive. The purchase of the River Villages continues Aevum's strategy of focussing on bolt-on acquisitions which have the potential to deliver strong recurring earnings.

Aevum chief executive officer, Mr Simon Owen, said the acquisition of the "River Villages" provided the company with a low cost entry point into the attractive Perth market.

"The planning for integration of this village is well progressed, and Aevum is anticipating strong growth within the region to supplement the existing cash flows from our WA portfolio," Mr Owen said

Development Activities Update

Cardinal Freeman Village

Development activities are progressing to schedule at the Cardinal Freeman village in Ashfield (Sydney), where the company has DA approval for 36 Independent Living Units.

Demolition work on Buildings A & B have been completed to budget. The construction contract for these buildings has been awarded to Renascent Constructions under a lump sum, fixed price contract. Contract works commenced on 24 September with completion of 36 units scheduled for June 2008.

Waratah Highlands Village

Development activities are also scheduled to commence this month for Stage 5 at the Waratah Highlands village in Bargo (NSW Southern Highlands), where Aevum has DA approval for 91 Independent Living Units.

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Site establishment is planned for 27 September and the bulk earthworks will commence on 10 October for this stage of 16 units. Completion is scheduled for June 2008.

The following table summarises Aevum's development pipeline:

Village	Location	Approved Dwellings	Sales Value ¹ \$m	Prospective Dwellings ²	Sales Value ¹ \$m	Total Dwellings	Sales Value ¹ \$m
Cardinal Freeman	Sydney	36	17	100+	47	136+	64
Lourdes	Sydney	-	-	20	16	20+	16
Willows	Sydney	-	-	100+	40	100+	40
Maybrook	Sydney	-	-	19	12	19	12
Waratah Highlands	Sth Highlands	91	28	-	-	91	28
Swansea	Central Coast	-	-	8+	2	8	2
Parklands	Port Macquarie	-	-	20+	4	20+	4
Golden Ponds	Forster	42	17	-	-	42	17
TOTAL		169	62	267+	121	436+	183

Note:

1. End market value of units based on current sales prices
2. Subject to internal assessment and council approval

Aevum's portfolio of 19 villages

Metropolitan Sydney

- Cardinal Freeman Village, Ashfield, Sydney: 169 units, 49 apartments, 119 aged care beds with development approval for another 36 units
- Lourdes Village, Killara, Sydney: 108 units, 54 apartments and 83 aged care beds
- Castleridge Resort, Castle Hill, Sydney: 113 units
- Bexley Gardens Village, Bexley, Sydney: 22 units
- The Willows Retirement Village, Winston Hills, 141 units, 48 apartments with the opportunity to develop a further 100 units.
- Maybrook Manor Retirement Village, Cromer, 98 units with the opportunity to develop a further 19 units.

Central Coast, NSW

- The Village - Swansea, Swansea: 133 units

Mid North Coast, NSW

- Lincoln Gardens, Port Macquarie: 54 units
- Bellevue Gardens, Port Macquarie: 131 units and 44 apartments
- Parklands Village, Port Macquarie: 113 units and 31 apartments
- Queens Lake Village, Laurieton: 124 units

- Golden Ponds, Forster: 150 units with development approval for additional 42 units
- Camden View Village, Laurieton: 54 units

Southern Highlands, NSW

- Macquarie Grove Village, Tahmoor: 42 units
- Waratah Highlands Village, Bargo: 77 units with development approval for additional 91 units

Western Australia

- Murray River Village, Mandurah, WA: 37 units
- Halls Head Gardens, Mandurah, WA: 46 units
- Leschenault Village, Bunbury, WA: 38 units
- River Parks and River Pines Retirement Village, Wilson: 67 units

About Aevum Limited

Aevum Limited (formerly the Hibernian Friendly Society) is a long established owner, operator and developer of retirement villages and aged care facilities. Today it manages 19 facilities across Sydney, coastal NSW and Western Australia providing retirement accommodation and services to over 2,400 Australian seniors. Aevum employs over 300 dedicated and committed staff and is the largest provider of "for-profit" retirement accommodation in NSW. For further information please visit www.aevum.com.au

ISSUED FOR : AEVUM LIMITED

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